

## Message Text

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21-12

ACTION EUR-25

INFO OCT-01 NEA-10 ISO-00 DRC-01 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SPC-03 SS-15 USIA-15 ACDA-19 IO-15 COME-00 TRSE-00

SCEM-02 INT-08 AID-20 CEA-02 EB-11 SCI-06 STR-08

OMB-01 AF-10 /210 W

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R 051744Z OCT 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 8840

AMEMBASSY TEHRAN

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E. O. 11652 NA

TAGS: ENRG, IR, BE

SUBJ: SHAH'S PRESS INTERVIEW.

1. SUMMARY: THREE BELGIAN JOURNALISTS ACCOMPANYING  
GOB PRIME MINISTER LEBURTON'S PARTY ON HIS RECENT VISIT  
TO IRAN WERE GIVEN INTERVIEW BY SHAH. INTERVIEW, SUMMARIZED  
BELOW, RANGE FROM WORLD ENERGY CRISIS TO BELGO-IRANIAN REFINERY  
PROJECT. FONMIN SOURCE INFORMED US OF IRANIAN  
OFFER OF CRUDE SUPPLY GUARANTEE. END SUMMARY.

2. ENERGY CRISIS. SHAH NOTED THAT CRISIS EXISTS AND IS DUE TO  
ENORMOUS GROWTH IN CONSUMPTION. OIL RESERVES WILL BE  
EXHAUSTED IN SOME PRODUCER COUNTRIES IN TEN YEARS, IN OTHERS  
IN 30 OR 40 YEARS, IF PRESENT CONSUMPTION GROWTH RATE CONTINUES.  
WORLDWIDE GALLOPING INFLATION REQUIRES OIL PRODUCERS TO  
PROTECT THEIR INTERNATIONAL PURCHASING POWER. LARGEST SHARE  
OF OIL REVENUES STILL DOES NOT GO TO PRODUCER COUNTRIES, AND  
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EQUITABLE REVENUE SHARING MUST BE OBTAINED.

3. RELATONS WITH BELGIUM. IRAN WISHES TO PARTICIPATE IN CONSTRUCTING REFINERY IN BELGIUM WITH COMMON DISTRIBUTION SYSTEM. THUS ELIMINATING INTERMEDIARIES. IRAN'S WILLINGNESS TO COLLABORATE WITH BELGIUM IS BASED ON COMMON INTERESTS. IRAN WILL ENTER BELGIAN MARKET, AND BELGIUM CAN BE SURE OF CRUDE SUPPLY WITHOUT BLACKMAIL (CHANTAGE; INTERVIEW GIVEN IN FRENCH). OTHER PRODUCER COUNTRIES LIKELY TO FOLLOW THIS PATTERN WHEN THEY HAVE DEVELOPED NECESSARY EXPERTISE. IN RESPONSE TO QUESTION, SHAH SAID BELGIAN REFINERY PROJECT WILL NOTBE UNIQUE IN EUROPE. WHILE IRAN PREFERS TO REFINER CRUDE IN IRAN, THIS CAN ALSO BE DONE ELSEWHERE, PROVIDED IRAN PARTICIPATES AT ALL STATES OF PODUCTION FROM WELL TO PUMP, INCLUDING PETROCHEMICALS. IRAN IS NO LONGER INTERESTED MERELY IN SELLING CRUDE, EXCEPT PERHAPS SURPLUSES IT DOES NOT REQUIRE.

4. PENETRATION OF EUROPEAN MARKETS. IN RESPONSE TO QUESTION AS TO WHETHER BELGIAN REFINERY MARKS BEGINNING OF IRANIAN EFFORT TO PENETRATE THE EUROPEAN MARKETS, SHAH MENTIONED THAT SERIOUS DISCUSSIONS UNDERWAY WITH ENI AND PLANS EXIST "TO WORK" IN U. S., INDIA, PAKISTAN, AND SOUTH AFRICA. POSSIBILITY ALSO EXISTS OF PARTNERSHIP WITH GERMAN COMPANY, VEBA.

5. SUPPLY SECURITY. IN REPLY TO QUESTION ON IRAN'S ERLATIONS WITH WEST, SHAH LISTED VARIOUS PROJECTS WHICH WOULD TIE IRAN COMMERCIALY TO WESTERN COUNTIES (GAS PIPE-LINE TO EUROPE WITH ANNUAL CAPACITY OF 40 BILLION CUBIC METERS OR A THIRD OF EUROPEAN CONSUMPTION, REFINERY IN BELGIUM, GERMAN-OWNED REFINERY IN IRAN WITH 25 MILLION TON ANNUAL CAPACITY), AND ASKED HOW COULD EUROPEAN SECURITY BE SEPARATED FROM THAT OF IRAN? HEALSO STRESSED NEED TO GUARANTEE STABILITY IN PERSIAN GULF.

6. BELGIAN CORRESPONDENTS, APPARENTLY REFLECTING DISCUSSIONS WITH OTHER IRANIAN OFFICIALS, REPORTED THEIR CLEAR IMPRESSION THAT IRAN HAS NO INTENTION OF SUPPLYING CRUDE TO REFINERY IN BELGIUM AT LOWER THAN MARKET PRICE.

7. FONMIN OFFICIAL HAS INFORMED US THAT IRAN IS PREPARED, LIMITED OFFICIAL USE

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IF REFINERY DEAL GOES THROUGH, TO GUARANTEE CRUDE SUPPLY OF FIVE MILLION TONS PER YEAR, ABOUT ONE SIXTH OF BELGIAN ANNUAL CRUDE IMPORTS.

8. ONLY PARA 7 CLASSIFIED.  
BOOCHEVER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, INFLATION, CHIEF OF STATE VISITS, REFINERIES  
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**Draft Date:** 05 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Previous Handling Restrictions:** n/a  
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**To:** STATE  
**Type:** TE  
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